
Murchison Metals announces major success at Jack Hills Iron Ore Project

Thursday, 03 Sep, 2009

It said that the AUD 23 million 70,000 meter drill program with 12 drill rigs on site has reported significant early drill results that indicate the Jack Hills project will be of a significantly larger scale than previously recognized.

The Jack Hills project now comprises

1. February 2009 Interim Resource of 991 million tonnes at 34.1% Fe BFO and 96 million tonnes at 58.7% DSO for a combined 1,087 million tonnes of resources
2. Additional Exploration Target of 400 million tonnes to 1,000 million tonnes of predominantly BFO with a component of DSO being drilled as part of the current drilling campaign.

If fully realized, the additional exploration target tonnages would lift the project size to between 1.5 billion tonnes to 2.1 billion tonnes, with further prospective exploration targets to be tested in future drilling campaigns.

Based on the latest drilling results from Crosslands, Murchison believes the expanded Jack Hills mine has the potential to be a large scale, multi-decade project yielding substantial cash flows and economic value.

Mr Paul Kopejtka Executive Chairman of Murchison said the latest results were exciting and highlighted the standalone importance and emerging value of Jack Hills to Murchison. He said “In recent months the focus has been on our 50% owned infrastructure business, OPR, which is understandable given its pivotal role in unlocking value for mid-west miners and shareholders, such as Chinese groups, that have invested more than AUD 2.5 billion in mid west mining companies and mining projects.”

Mr Kopejtka added that “However, these latest results from Jack Hills underline the enduring importance and value of this major project which is developing into potentially the largest iron ore project in the mid-west region. In addition, ongoing metallurgical testwork is showing that a consistently high quality product with very low impurities is likely to be available from Jack Hills. There is high demand for this type of product from international steel mills. We look forward to the Resource update later in the year as the drilling program and studies progress.”

Mr Kopejtka said it was also pleasing that there remained potential for even further exploration upside beyond the current targets. He said that “It is also significant that Crosslands has identified further prospective areas at Jack Hills in addition to the current Exploration Targets. These will also be tested to ensure the project is optimized to its full economic potential.”

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